

AUSTRALIAN EAGLE TRUST

LONG SHORT AUSTRALIAN EQUITIES FUND

INVESTMENT STRATEGY

The Australian Eagle Trust, Long-Short Fund (the Fund) seeks to deliver significant outperformance by using Australian Eagle's Long-Only investment philosophy in conjunction with a short-selling discipline. The Fund aims to provide capital growth over the long term through leveraged investment in Australian shares. The Fund's objective is to outperform the S&P/ASX 100 Accumulation Index over 5 years. The Fund is managed by Australian Eagle Asset Management Pty Ltd.

The Fund seeks to buy superior quality stocks with a sensible risk buffer and hold them so that the longer-term advantages of those companies result in a superior rate of return. The investment process is designed to identify stocks that have the most characteristics of a superior company, whilst offering a valuation edge. These superior companies can be characterised by quality management who are committed to shareholders, operate in a growing market, and have a long-term competitive advantage. On the short side, the Fund seeks to sell companies that do not display these characteristics and exhibit poorer technical characteristics.

INVESTOR BENEFITS

- Excess returns: aims to deliver significant out-performance¹ from capital growth over a 5-year term through a leveraged investment in Australian shares
- Double-digit track record²
- Portfolio diversification: the Fund uses an index independent approach and seeks diversification by investing in 25 to 35 stocks in the long portfolio and 12 to 25 stocks in the short portfolio. The short positions more fully utilise Australian Eagle's research effort and may result in a lower portfolio correlation with markets by holding both long and short positions.
- Access to an investment strategy: that would ordinarily be difficult for individual investors to employ, that uses an enhanced potential for excess returns through the use of short-selling techniques and leverage.

INVESTMENT PHILOSOPHY: QUALITY, VALUATION & GROWTH DELTA

- Improving quality companies operating in growing markets, with a comparative advantage, proven management, sound financial health and strong shareholder focus.
- Sensible valuation methodologies determine our margin of safety.
- Transformative change provides a "Growth Delta" path for the company for the following 2-3 years.

¹ Out-performance of the S&P/ASX 100 Accumulation Index is not guaranteed

² Past performance is not an indicator of future performance

OUR SUSTAINABLE EDGES: PERSPECTIVE, PEOPLE AND PROCESS

OUR PERSPECTIVE: Growth Delta	OUR PEOPLE: Employees are shareholders	OUR PROCESS: Long-Term Track Record of Alpha Generation
<ul style="list-style-type: none"> The Australian Eagle team has consistently been able to identify companies with fundamental changes in growth profile or earnings quality to produce medium to long term alpha. 	<ul style="list-style-type: none"> Founder-owned and led, the investment team is stable and experienced. Senior members have nearly 100 years combined experience. 	<ul style="list-style-type: none"> Successful implementation of investment process throughout multiple market cycles – evidence of a sustainable edge over competitors, regardless of the market cycle or volatility level. Long-Only returned +4.2% p.a. outperformance vs S&P/ASX100 Accumulation Index over 17 years before fees. Long-Short returned +8.0% p.a. outperformance vs S&P/ASX100 Accumulation Index over 6 years after fees.

PROFESSIONAL INVESTMENT TEAM WITH DEEP INDUSTRY EXPERIENCE

CHIEF INVESTMENT OFFICER
Sean Sequeira

Sean is a founding member of Australian Eagle with 30 years industry experience

Previous equities experience at Tower Asset Management, Chase Futures, Société Générale Treasury and Citibank.

Sean manages the Australian Eagle portfolio and is responsible for stock analysis.


SENIOR PORTFOLIO MANAGER
Alan Kwan

Alan has been at Australian Eagle for over 11 years and has 29 years industry experience

Previous industry experience at Work Cover, Allianz and Dresdner Asset Management.

Alan is responsible for stock analysis and portfolio construction & management.

AUSTRALIAN EAGLE TRUST LONG SHORT FUND SNAPSHOT

Fund Type	Australian Equity Long-Short Fund		Minimum	Maximum
Inception date	1-Jul-16	Long stocks	25	35
Min. Initial Investment	A\$20,000	Short stocks	12	25
Benchmark	S&P/ASX 100 Accumulation Index	Position size	10% for Long 5% for Short at initiation	
Management Fee	1.23% p.a. (inclusive of GST net of RITC)	Range		
Recoverable Expenses	0.1568% p.a. (inclusive of GST net of RITC)	Long securities	90%	170%
Performance Fee	20.5% (inclusive of GST) of excess performance above benchmark with outperformance high watermark (accrued daily, paid quarterly)	Short securities	-70%	0%
Distribution Frequency	Annual	Cash	-10%	10%
Applications/Withdrawals	Daily	Net equity exposure	90%	110%
Buy/Sell Spread	± 0.30%			

FUND OBJECTIVE AND INVESTOR PROFILE

- The Fund aims to provide capital growth over the longer term through a leveraged investment in Australian securities. Commensurate with this, the objective of the Fund is to outperform the S&P/ASX 100 Accumulation Index over a period of 5 years.
- This fund is appropriate for investors with a “Very High” risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium or long investment timeframe. Investors should refer to the [TMD](#) for further information.

FUND RISKS

- Generally, the higher the expected return of an investment, the higher the expected risk. Traditionally listed shares have generally been considered to be more volatile (will experience greater fluctuations in value) than fixed income, while fixed income has generally been more volatile than cash. Please review Page 19 of the PDS to review the Fund risks.

HOW TO INVEST

- The Australian Eagle Trust Long-Short Fund is only available to investors via the Australian Eagle Trust Product Disclosure Statement (PDS). Copies of the PDS and Target Market Definition (TMD) are available from Montgomery Investment Management, contactable on (02) 8046 5000 or at www.montinvest.com You can access the [online application form here](#).
- The PDS offers investors the opportunity to invest a minimum of \$20,000 in the Australian Eagle Trust (the Fund). The Trustee has the discretion to waive or vary this minimum requirement. The offer of units in the Fund are available to investors who are resident in either Australia or New Zealand. Investors who are not residents in Australia can invest in the Fund where they are permitted by law to do so. The Trust Company (RE Services) Ltd ABN 45 003 278 831 AFSL 235150, part of Perpetual Limited, is the responsible entity and issuer of units in the Australian Eagle Trust ARSN 632 568 846. The Investment Manager of the Fund is Australian Eagle Asset Management Pty Ltd ABN 89 629 484 840, a corporate authorised representative of Alleron Investment Management Pty Ltd AFSL 278856.

FUND RATINGS AND RETAIL INVESTMENT PLATFORM AVAILABILITY

RECOMMENDED	Lonsec	Hub24	BT Panorama
RECOMMENDED	Zenith	Netwealth	Praemium
OUT-STANDING 4.5 STARS	SQM	Macquarie Wrap	Mason Stevens*

* Manager for the research and rating of the managed investment scheme.

SALES CONTACT INFORMATION

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Responsible Entity

The Trust Company (RE Services) Ltd (ABN 45 003 278 831 | AFSL 235150), part of Perpetual Limited, is the responsible entity and issuer of units in the Australian Eagle Trust ARSN 632 568 846.

Administrator

The Administrator is Mainstream Fund Services Pty Ltd

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Lonsec Recommended rating

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SQM Research Outstanding 4.5 Star rating

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